

Registration number: 3880081

BRIDGEPOINT CAPITAL GROUP LIMITED
(formerly The European Private Equity Partnership Limited)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

19 NOVEMBER 1999 TO 31 DECEMBER 2000



BRIDGEPOINT CAPITAL GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited consolidated financial statements of the Company and Group for the period ended 31 December 2000.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The Company was incorporated on 19 November 1999. On 30 June 2000, the Company acquired legal title to the ordinary share capital of The European Private Equity Partnership and Bridgepoint Capital France S.A. (the names of the companies at 31 December 2000 have been used to avoid confusion). The acquisition of these companies from National Westminster Bank Plc was structured so as to give Bridgepoint Capital Group Limited beneficial interest from 1 January 2000. Accordingly, these accounts consolidate the activities of the group for the period from 1 January 2000 to 31 December 2000.

On 6 October 2000 the company acquired legal title to the ordinary share capital of Bridgepoint Private Equity Growth Fund Limited for a consideration of £2.

RESULTS AND DIVIDENDS

The profit for the period on ordinary activities before taxation amounted to £10,691,000 on which there was a taxation credit of £178,000.

No interim dividends were declared during the period.

The directors recommend the payment of a final dividend of 25 pence per share.

DIRECTORS

The directors who held office during the financial period were as follows:

	Date of Appointment	Date of Resignation
K H Churchman	27/09/2000	-
W N Jackson	13/12/1999	-
D R Shaw	13/12/1999	-
Instant Companies Limited	19/11/1999	13/12/1999

DIRECTORS' INTERESTS

At the beginning of the financial year certain directors of the Company held, within a number of schemes, interests in the Ordinary Share capital of National Westminster Bank plc. National Westminster Bank plc became a subsidiary of The Royal Bank of Scotland Group plc on 6 March 2000 and on 1 July 2000 the ultimate parent undertaking became Bridgepoint Capital Group Limited.

The interests, all beneficial, of those who were directors at 31 December 2000 in the Ordinary Shares of the former parents were:

National Westminster Bank plc Ordinary Shares of £1 each ('NWB') and The Royal Bank of Scotland Group plc Ordinary Shares of 25 pence each ('RBS') Ordinary Shares of £1 each			
SHARES	SHARE OPTIONS		
NWB as at 1 Jan 2000	NWB as at 1 Jan 2000	NWB exercised between 1 Jan 2000 and 30 June 2000	
K H Churchman	-	1,145	393
W N Jackson	3,009	1,972	1,021
D R Shaw	5,860	1,487	874

The Royal Bank of Scotland did not grant share options to any director of the company. NatWest Bank options not exercised prior to 30 June 2000 lapsed on that date.

BRIDGEPOINT CAPITAL GROUP LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTERESTS (continued)

The interests, all beneficial, of those who were directors at 31 December 2000 in the Ordinary Shares of Bridgepoint Capital Group Limited were:

	As at 1 January 2000 or date of appointment if later	As at 31 December 2000
'E' Ordinary shares of 1p each		
K H Churchman	82,500	82,500
W N Jackson	-	150,000
D R Shaw	-	150,000

AUDITOR

KPMG Audit Plc were appointed auditor to the company on 4 July 2000.

By Order of the Board



B Lawson
Secretary

2 May 2001

BRIDGEPOINT CAPITAL GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



D R Shaw
Director

2 May 2001

**REPORT OF THE AUDITOR
TO THE MEMBERS OF BRIDGEPOINT CAPITAL GROUP LIMITED**

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as the independent auditor, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and Group as at 31 December 2000 and of the profit of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

2 May 2001

BRIDGEPOINT CAPITAL GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 19 NOVEMBER 1999 TO 31 DECEMBER 2000

	Notes	19 November 1999 to 31 December 2000 £000
Fees and commissions receivable		31,444
Fees and commissions payable		(437)
		<hr/>
Gross profit		31,007
Administrative expenses		(21,336)
		<hr/>
Profit on ordinary activities before interest and taxation		9,671
Interest receivable		1,112
Interest payable		(92)
		<hr/>
Profit on ordinary activities before taxation	3	10,691
Taxation	4	178
		<hr/>
Profit on ordinary activities after taxation		10,869
Dividends		(739)
		<hr/>
Retained profit for the financial period		<u>10,130</u>

The results above relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial year	10,869
Exchange movements	722
	<hr/>
Total recognised gains and losses	<u>11,591</u>

The Company has taken advantage of the exemption contained in Section 230 of the Companies Act 1985 and has not included a profit and loss account for the Company. The Company had a profit of £790,000 for the period ended 31 December 2000.

The notes on pages 10 to 18 form part of these financial statements.

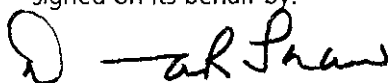
BRIDGEPOINT CAPITAL GROUP LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2000

	Notes	2000 £000
FIXED ASSETS		
Goodwill	9	4,434
Tangible fixed assets	8	578
		<hr/> 5,012
CURRENT ASSETS		
Debtors	12	7,098
Cash at bank		17,324
		<hr/> 24,422
CURRENT LIABILITIES		
Creditors:		
Amounts falling due within one year	14	(18,552)
		<hr/> 5,870
NET CURRENT ASSETS		
		<hr/> 5,870
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> <hr/> 10,882
CAPITAL AND RESERVES		
Called-up share capital	15	30
Other reserves	16	722
Profit and loss account	16	10,130
		<hr/> 10,882
EQUITY SHAREHOLDERS' FUNDS		<hr/> <hr/> 10,882

The financial statements on pages 5 to 18 were approved by the Board of Directors on 2 May 2001 and signed on its behalf by:



D R Shaw
Director

2 May 2001

The notes on pages 10 to 18 form part of these financial statements.

BRIDGEPOINT CAPITAL GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2000

	Notes	2000 £000
Investments	10	<u>7,519</u>
CURRENT ASSETS		
Debtors	12	1,149
Cash at bank		<u>2,970</u>
		4,119
CURRENT LIABILITIES		
Creditors:		
Amounts falling due within one year	14	(10,818)
NET CURRENT LIABILITIES		<u>(6,699)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>820</u>
CAPITAL AND RESERVES		
Called-up share capital	15	30
Profit and loss account	16	<u>790</u>
EQUITY SHAREHOLDERS' FUNDS		<u>820</u>

The financial statements on pages 5 to 18 were approved by the Board of Directors on 2 May 2001 and signed on its behalf by:



D R Shaw
Director

2 May 2001

The notes on pages 10 to 18 form part of these financial statements.

BRIDGEPOINT CAPITAL GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD 19 NOVEMBER 1999 TO 31 DECEMBER 2000

	Notes	£000	19 November 1999 to 31 December 2000 £000
CASH INFLOW FROM OPERATING ACTIVITIES	(a)		8,140
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,112	
Interest paid		(92)	
Net cash inflows from returns on investments and servicing of finance			1,020
Tax paid during year			(1,190)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Acquisition of fixed assets	8	(287)	
Proceeds from disposal of fixed assets		325	
Net cash inflow from investing activities			38
ACQUISITIONS AND DISPOSALS	(c)		
Cash Inflow from purchase of subsidiary undertaking			9,286
Net cash inflow before financing activities			17,294
FINANCING ACTIVITIES	15		
Proceeds from issue of share capital		30	
Net cash inflow from financing activities			30
INCREASE IN CASH AND CASH EQUIVALENTS	(b)		17,324
REPRESENTED BY:	(d)		
Increase in cash at bank			17,324

BRIDGEPOINT CAPITAL GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
FOR THE PERIOD 19 NOVEMBER 1999 TO 31 DECEMBER 2000

Notes

(a) RECONCILIATION OF PROFIT TO CASH		
INFLOW FROM OPERATING ACTIVITIES		
Profit before interest and taxation		9,671
Loss realised on sale of fixed assets	105	
Amortisation charged in period	233	
Depreciation charged in period	415	
Decrease in debtors	4,531	
Decrease in creditors	(6,815)	
		<u>(1,531)</u>
		<u>8,140</u>
(b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance at beginning of period		-
Net cash inflow		17,324
		<u>17,324</u>
(c) PURCHASE OF SUBSIDIARY UNDERTAKINGS		
Net Assets acquired:		
Fixed Assets		1,136
Other Assets		117
Debtors		10,177
Cash at bank		16,805
Creditors		(25,383)
		<u>2,852</u>
Goodwill		4,667
		<u>7,519</u>
Satisfied by:		
Cash		<u>7,519</u>
(d) ANALYSIS OF THE BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET		
At 31 December		
Cash at bank		<u>17,324</u>

The notes on pages 10 to 18 form part of these financial statements.

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

1 ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

(b) Group Accounts

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings which are listed in Note 10. Turnover and income arising from transactions between Group Companies are excluded.

(c) Investments

Investments in subsidiary undertakings are stated at cost less amounts written off. Provisions are only made where in the opinion of the Directors there is a permanent diminution in value.

(d) Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis as detailed below:

Motor vehicles	-	5 years
Computers & Others	-	Up to 3 years
Other plant and equipment	-	5 to 10 years

(e) Goodwill

Purchased goodwill arising on consolidation in respect of the acquisition of investments has been capitalised and will be amortised on a straight line basis over its estimated useful life of 20 years.

(f) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated to sterling at rates current on 31 December. The results of overseas subsidiary undertakings are translated at the closing rate of exchange for the year. Exchange differences arising from translation of opening net assets of overseas subsidiary undertakings are taken to reserves. All other exchange differences are included in operating profit.

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

1 ACCOUNTING POLICIES (continued)

(g) Taxation

Corporation tax is provided on taxable profits at the rate applicable in the jurisdiction of those profits.

The charge for taxation is based upon the profit or loss for the year and takes into account all deferred taxation adjustments arising from timing differences between the treatment of income and expenditure for taxation and accounting purposes which are likely to crystallise in the foreseeable future. Any adjustment made is calculated on the liability method and at the appropriate rates of taxation.

(h) Pensions

Amounts payable in respect of employer's contributions to the company's defined contribution pension scheme are recognised in Administrative Expenses as they become payable.

2 CHANGE OF NAME

The name of the company was changed on 4 October 2000 to Bridgepoint Capital Group Limited.

3 GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

2000
£000

Group profit on ordinary activities before taxation is disclosed after the deduction of:

Audit fees	75
Goodwill amortised	233
Depreciation	413

Other fees paid to auditors during 2000 totalled £ 191,000.

4 TAXATION

1999
£000

Corporation tax charge – UK	-
Corporation tax charge - Overseas	288
Deferred tax	(466)
	<hr/>
	(178)
	<hr/>

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

4 TAXATION (continued)

The Group does not have a UK corporation tax liability as the General Partner has received its Annual Share by way of UK dividend income, which is not liable to UK tax.

A deferred taxation asset has been created in relation to certain accruals not expected to be paid within 9 months of the balance sheet date. A deduction is expected to be claimed in future years as these amounts are paid.

5 DIRECTORS' REMUNERATION

	2000 £'000
Directors' fees, salaries and other benefits	366
Performance Related bonus	647
Payments under the company's long term incentive scheme	2,814
Total emoluments received by directors (excluding pension contributions)	<u>3,827</u>
Pension contributions for 3 directors	217

The total emoluments of the highest paid director including pension contributions were £2,309,940. The emoluments paid to the Directors relate to services provided both to this company and subsidiary companies.

6 EMPLOYEES

The average number of persons, including directors, employed by the Group during the period was as follows:

	Number of Employees 2000
Directors	3
Executives (including Directors of subsidiary undertakings)	68
Support Staff	38
	<u>109</u>

	2000 £'000
Wages and salaries	6,650
Staff bonuses	1,695
Social security costs	1,368
Pension costs	1,142
Other staff costs	2,210
	<u>13,065</u>

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

7 PENSION CONTRIBUTIONS

The group operates a Defined Contribution pension scheme for its Directors and Employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension scheme was established on 25 August 2000 and received Inland Revenue approval on 1 November 2000. The scheme is a non-contributory scheme but does permit employee contributions to a maximum of 15% of relevant earnings. The effective start date for pension contributions was 1 July 2000. The group pension cost charge for the period has been shown as part of the staff costs in Note 6.

8 TANGIBLE FIXED ASSETS

	Motor Vehicles £'000	Computers & Others £'000	Total £'000
Cost			
Opening balance	-	-	-
Additions	754	1,300	2,054
Disposals	(669)	(173)	(842)
At 31 December 2000	<u>85</u>	<u>1,127</u>	<u>1,212</u>
Depreciation			
Additions	(262)	(369)	(631)
Charged in the period	(47)	(368)	(415)
Disposals	286	126	412
At 31 December 2000	<u>(23)</u>	<u>(611)</u>	<u>(634)</u>
Net book value at 31 December 2000	<u>62</u>	<u>516</u>	<u>578</u>

During the period the company purchased subsidiaries with tangible fixed assets with a net book value of £1,136,000. The addition of these assets has been included in the above table as Additions at cost of £1,767,000 and Additions of accumulated depreciation of £631,000.

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

9 GOODWILL ARISING ON ACQUISITION

On the 30 June 2000 the company acquired the ordinary share capital of The European Private Equity Partnership and Bridgepoint Capital France S.A. Details of the purchase consideration are as follows:

Fair Value Table	Book value £'000	Fair value £'000
Fixed Assets	1,136	1,136
Other Assets	957	117
Debtors	10,177	10,177
Cash at bank	16,805	16,805
Creditors	(25,383)	(25,383)
Net Assets	<u>3,692</u>	<u>2,852</u>
		2000 £'000
Purchase price		7,519
Net Assets		<u>(2,852)</u>
Goodwill arising on acquisition of subsidiaries		4,667
Amortised during the period		<u>(233)</u>
Balance at 31 December		<u><u>4,434</u></u>

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company owns 100% of the ordinary share capital of The European Private Equity Partnership, Bridgepoint Private Equity Growth Fund Limited and Bridgepoint Capital France SA, which are incorporated in the UK as an Investment Holding company, in the UK as a Venture Capital Management Company, and in France as a Venture Capital management company respectively.

In addition the Company holds the 10% of Bridgepoint Capital SpA not owned by The European Private Equity Partnership. Bridgepoint Capital SpA is a Venture Capital advisory company incorporated in Italy.

The European Private Equity Partnership in turn holds the issued share capital of the following subsidiary undertakings:

Company	Country of Incorporation	% Held	Activity
Bridgepoint Capital (GP) Limited (Registered in England & Wales)	UK	100%	Dormant
Bridgepoint Capital GmbH (Registered in Germany)	Germany	100%	Venture Capital advisory company
Bridgepoint Capital SpA (Registered in Italy)	Italy	90%	Venture Capital advisory company
Gayser 2050 SpA in Liquidazione (Registered in Italy)	Italy	90%	Venture Capital advisory company
Bridgepoint Capital Limited (Registered in England & Wales)	UK	100%	Venture Capital management
Bridgepoint Capital Managerial Company Limited (Registered in England & Wales)	UK	100%	Dormant
Bridgepoint Capital (Nominees) Limited (Registered in England & Wales)	UK	100%	Dormant
Bridgepoint Capital SA (Registered in Spain)	Spain	100%	Venture Capital management
Bridgepoint Capital Scottish GP Limited (Registered in Scotland)	UK	100%	General Partner to UK Limited Partnership
Bridgepoint Capital Scottish GP II Limited (Registered in Scotland)	UK	100%	General Partner to UK Limited Partnership
Bridgepoint Capital Trustee Limited (Registered in England & Wales)	UK	100%	Trustee Company
Bridgepoint Private Equity Limited (Registered in England & Wales)	UK	100%	Venture Capital management

Investments in subsidiary undertakings are stated at cost and, in the opinion of the Directors, the value of the investment in subsidiary undertakings is not less than the amount at which they are included in the financial statements.

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

11 INVESTMENTS IN PARTNERSHIPS AND LIMITED COMPANIES

Interests of the Group in qualifying partnerships and unlimited companies have been incorporated in the accounts of the Group by the equity method or proportional consolidation, thereby exempting it from the requirements of the Partnerships and Unlimited Companies Accounts (Regulations) 1993.

12 DEBTORS

	2000 £000 Group	2000 £000 Company
Amounts owed by parent and fellow subsidiary undertakings	-	1,000
Group relief	-	149
Deferred taxation	466	-
Other	6,632	-
	<u>7,098</u>	<u>1,149</u>

13 DEFERRED TAXATION

	2000 £'000
Opening balance	-
Movement during the period	466
Balance at 31 December	<u>466</u>

A deferred taxation asset has been created in relation to certain accruals not expected to be paid within 9 months of the balance sheet date. A deduction is expected to be claimed in future years as these amounts are paid.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £000 Group	2000 £000 Company
Amounts owed to subsidiary undertakings	-	10,079
Accruals	14,500	-
Dividends	739	739
Other Creditors	3,313	-
	<u>18,552</u>	<u>10,818</u>

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

15 CALLED-UP SHARE CAPITAL - COMPANY

Authorised:	Shares	2000 £000
A Ordinary shares of 1p each	171,250	2
B Ordinary shares of 1p each	131,500	1
C Ordinary shares of 1p each	206,500	2
D Ordinary shares of 1p each	248,500	3
E Ordinary shares of 1p each	2,200,000	22
Unclassified Ordinary shares of 1p each	942,250	9
	<u>3,900,000</u>	<u>39</u>
	Shares	Consideration received £000
Allotted, called-up and fully paid:		
A Ordinary shares of 1p each	171,250	2
B Ordinary shares of 1p each	131,500	1
C Ordinary shares of 1p each	206,500	2
D Ordinary shares of 1p each	248,500	3
E Ordinary shares of 1p each	2,200,000	22
	<u>2,957,750</u>	<u>30</u>

The Company was incorporated with an authorised share capital of £1,000 divided into 1000 Ordinary shares of £1 each, and one Ordinary share in issue.

On 24 December 1999 13 shares were allotted at nominal value.

On 7 April 2000, 535 Ordinary shares were issued at a premium of £29.73 per share.

On 30 June 2000 the following changes to the Company's capital structure were made:

The issued shares were converted into Ordinary shares of 1p each, as follows:

34 of the existing Ordinary shares of £1 each were each converted into 100 'A' Ordinary shares of 1p each;

34 of the existing Ordinary shares of £1 each were each converted into 100 'B' Ordinary shares of 1p each;

34 of the existing Ordinary shares of £1 each were each converted into 100 'C' Ordinary shares of 1p each;

60 of the existing Ordinary shares of £1 each were each converted into 100 'D' Ordinary shares of 1p each;

387 of the existing Ordinary shares of £1 each were each converted into 100 'E' Ordinary shares of 1p each.

The remaining unissued Ordinary shares of £1 each were each converted into 100 unclassified Ordinary shares of 1p each, and the authorised share capital of the Company was increased to £39,000 by the creation of the following additional shares:

98,600 'A' Ordinary shares of 1p each;

98,600 'B' Ordinary shares of 1p each;

98,600 'C' Ordinary shares of 1p each;

174,000 'D' Ordinary shares of 1p each;

1,120,800 'E' Ordinary shares of 1p each;

2,209,400 unclassified Ordinary shares of 1p each.

BRIDGEPOINT CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

15 CALLED-UP SHARE CAPITAL – COMPANY (continued)

On the same day the 'A', 'B', 'C', 'D' and 'E' Ordinary shares were allotted through the capitalisation of the balance of £15,906.

On 1 July 2000, further issues were made as follows:

69,250 'A' Ordinary shares of 1p each;

29,500 'B' Ordinary shares of 1p each;

104,500 'C' Ordinary shares of 1p each;

68,500 'D' Ordinary shares of 1p each;

1,040,500 'E' Ordinary shares of 1p each.

16 RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2000 Group	2000 Company
	£000	£000
Share Capital		
At 19 November 1999	-	-
Issued during the period	30	30
	<hr/>	<hr/>
At 31 December 2000	30	30
	<hr/>	<hr/>
Other Reserves		
At 19 November 1999	-	-
Revaluation of Net Assets held in foreign currencies	722	-
	<hr/>	<hr/>
At 31 December 2000	722	-
	<hr/>	<hr/>
Profit and Loss Reserves		
At 19 November 1999	-	-
Retained profit for the period	10,130	790
	<hr/>	<hr/>
At 31 December 2000	10,130	790
	<hr/>	<hr/>

17 RELATED PARTY TRANSACTIONS

On 24 December 1999 the following directors advanced loans to the company to allow the company to meet its Deposit Sum commitment under the Share Sale and Purchase Agreement entered into on that date between the Company and National Westminster Bank Plc:

	Amount £	Interest Rate
D R Shaw	91,158	17.5%
W N Jackson	91,158	17.5%

These loans, together with interest, were repaid by the company on 3 July 2000.